

**§ 83-49-45. Tax imposed on premiums; collection and enforcement.**

- (1) In addition to any license fee or tax now or hereafter provided by law, which shall be paid when the company or sponsor enters or is admitted to do business in this state, there is hereby levied and imposed upon all insurance companies and sponsors an additional annual license or privilege tax of three percent (3%) of the gross amount of premium receipts received from, and on prepaid legal services insurance policies and subscription contracts as defined in this chapter, written in or covering risks located in this state. In determining said amount of premiums, there shall be deducted therefrom premiums received for reinsurance from companies authorized to do business in this state, cash dividends paid under policy contracts or subscription contracts in this state, and premiums returned to policyholders or subscribers and cancellation on accounts of policies or subscription contracts not taken. The term "premium" as used herein shall also include policy fees, membership fees and monthly subscription contract charges and all other fees collected by the companies or sponsors. No credit or deduction from gross premium receipts shall be allowed for any commission, fee or compensation paid to any agent, solicitor or representative.
- (2) Every insurance company or sponsor liable for the tax under the provisions hereof shall, quarterly each year as designated by the state tax commission, make and file with the state tax commission a full and correct statement, under oath of its president, secretary or other duly authorized officer at its home or head office in this country, of the gross amount of its premium receipts during the reporting period, and shall, at the time of filing such report, pay to the tax commission the tax levied hereby upon the premium collections for said period, computed as provided in subsection (1) of this section.

Every insurance company or sponsor liable for the payment of tax hereunder shall file an annual reconciliation statement of taxes paid during the previous year. The annual reconciliation statement shall be in the form prescribed by the state tax commission and shall be filed with the state tax commission on or before the last day of February following the close of each calendar year.

The state tax commission shall have the authority to promulgate rules and regulations, not inconsistent with this article, as it may deem necessary to enforce its provisions.

- (3) If any insurance company, foreign or domestic, or sponsor shall fail to pay the tax imposed by this chapter at the time required therein, such company or sponsor shall be liable for the full amount of such tax, plus a penalty of twenty percent (20%) of the amount thereof, together with interest at the rate of twelve percent (12%) per annum from the due date of such taxes until same shall be paid.
- (4) All taxes for which any company or sponsor is liable under the provisions of this chapter, and all penalties and interest due thereon, shall be collected and recovered by the state tax commission in the same manner provided by the law for the collection of sales taxes; and all administrative provisions of the Mississippi Sales Tax Law, including those which fix damages, penalties and interest for nonpayment of taxes, failure to file returns, and for

other noncompliance with the provisions of said chapter, and all other requirements and duties imposed upon taxpayers, shall apply to all persons liable for taxes under the provisions of this chapter; and the state tax commission shall exercise all the power and authority to perform all the duties with respect to taxpayers under this section as are provided in the Mississippi Sales Tax Law, except that in cases that conflict with the provisions of this chapter, in which case the provisions of this chapter shall prevail.

**SOURCES: Laws, 1983, ch. 474, § 23, eff from and after July 1, 1983.**